the producers are also directly and indirectly owned by the drug companies; and

(e) if so, what is the connection of each producers with drug companies and what are the details of the same?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) No, Sir.

(b) to (e) While fixing/revising the price of a formulation, the packing material costs are allowed after verification of documents submitted by the formulator in support of his claim, however, subject to internal ceilings adopted for various pack sizes. Ceilings are fixed and revised from time to time on the basis of recommendations of BICP. The study conducted by BICP in this regard analyses and evaluates data available from manufacturers of formulations, suppliers of packing materials and on the spot verification at public sector units to arrive at an average cost.

Prices of Betamethasone and its salts

142. SHRI H. HANUMANTHAPPA:
SHRIMATI SATYA BAHIN:

Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 1130 given in Rajya Sabha on 7th May, 1992 and state:

(a) whether it is a fact that the prices of Betemethasone and its salts shown as the previous prices were those recommended by the Murthy Committee;

(b) whether it is a fact that the Murthy Committee did not recommend the prices on any basis and it was therefore, decided to review their findings;

(c) if so, what was the outcome of this review and when was it completed; and

(d) by when these review was carried out and if the prices were found justified then to what period do they relate and what was the cost shown as per Cost Audit Reports during that period?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (d) The prices of Betamethasone and its salts as recommended by the Murthy Committee were notified on 2.1.89 and these recommendations were not subjected to any review subsequently.

Case of M/s. Hoechst

143. SHRI H. HANUMANTHAPPA:
SHRIMATI SATYA BAHIN:

Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 1134 given in the Rajya Sabha on the 7th May, 1992 and state:

(a) whether the process of consideration, hearing and passing of speaking order in the case of M/s. Hoechst following the speaking order have since been completed;

(b) if so, what is the outcome of this process when it completed and when the speaking order was passed;

(c) whether this company has given complete details till date or not;

(d) whether Government are intending to recover the amount from this company or bent upon giving them the concessions one after another without any justification; and

(e) what steps have been taken to investigate the bureaucrats muddle which resulted in reducing Rs. 100 crore liability only to Rs. 3.19 crores?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (d) The tentative liability of M/s Hoechst for the entire period is in the process of being determined. For this purpose, to the extent complete data does not become available from the company, the Government will have no alternative but to make use of the data which becomes available from whichever source. After the liability has been tentatively determined in this way, the company will be given a hearing as

envisaged in the Bombay High Court's Order and a speaking order will be passed only thereafter.

(e) The question of taking action against any officer would arise only after the liability is finally determined.

Reduction in custom duty on Cofotaxim

144. SHRI SANTOSH KUMAR SAHU: Will the PRIME MINISTER be pleased to state:

(a) when was the custom duty on Cefotaxim reduced and when the effect of duty reduction was given in the prices of formulations;

(b) what was the price before reduction and what is the price after reduction per injection;

(c) what is the benefit made by each producer at the cost of the consumer;

(d) what steps have been taken to fix responsibility for this lapse and what steps have been taken to recover this amount; and

(e) by when the amount would be recovered and responsibility fixed in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) The custom duty on Cefotaxim was reduced to 0% vide Notification No. 125/91-Customs dated 11th September, 1991. But actual import at 0% Custom duty was effected in December, 1991 only as the name of bulk drug Cefotaxim Sodium was corrected by Ministry of Finance vide their Notification No. 145/91-Customs dated the 7th November, 1991. The prices of formulations were reduced by the major formulators from May, 1992. The price per via of injection of Cefotaxim Sodium was Rs. 198.80 (inclusive of all taxes) before May, 1992 and from May, 1992 the price has been reduced by the company to Rs. 143.00 per vial (inclusive of all taxes).

(c) to (e) Information is being collected from the maior formulators and further action as permissible under the provisions of DPCO, 1987 would be taken thereafter.

Recommending lower price by BICP

145. SHRI SANTOSH KUMAR SAHU: Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 1130 given in Rajya Sabha on 7th May, 1992 and state:

(a) whether it is a fact that BICP had recommended lower price for Betamethasone and its salts in 1990 without R&D benefit;

(b) if so, what are the grounds on which it was decided to continue with the higher price;

(c) what is the difference between the price that has been allowed to continue and the price that was recommended by the BICP;

(d) whether the magnitude runs in crores every year; and

(e) if so, what action has been taken against all those involved in this affair and by when an enquiry into the matter would be instituted?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (e) The BICP submitted its report on bulk drug Betamethasone and its Salts in 1990 after including the benefit on account of cost reduction due to R & D efforts. For this report BICP considered the actual cost of production for the financial year ending 30.6.88. BICP recommended continuation of prices as notified in January, 1989. Government, however did not agree to include the benefit of cost reduction due to R&D efforts. Before the prices could be notified on the basis of BICP report without R&D benefit, the company represcuted to the Govt. that the prices of raw material and utilities have gone up, since the time of the BICP study and requested to consider the current cost of raw material and utiilties for fixing the revised prices. After examining the company's representation, it was decided